

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4118-01
Bill No.: HB 1100
Subject: Health, Public; Health, Department of
Type: Original
Date: January 2, 2014

Bill Summary: This proposal changes provisions relating to food preparation for charitable purposes.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Randolph County Health Department (RCHD)** anticipate at least one food borne illness each year due to no regulation on food produced at home but sold at charitable events. There a number of charitable events held each year in the county and the RCHD currently regulates foods sold to the public. One outbreak per year may be a conservative estimate since there would be no oversight on the home facilities to determine if there is adequate refrigeration, if preparation areas are sanitized prior to food contact and that the personnel have any training in food preparation. Food is potentially hazardous if not handled correctly.

In January 2005, the RCHD investigated a food borne disease investigation. The investigation involved three (3) health department personnel for three days each and two days for write-up and follow-up on the occurrence. The total staff time involved equated to 88 hours. Based on an average wage (including benefits) of approximately \$30 an hour, it has been determined that this single outbreak cost approximately \$2,640. Costs could be higher if the charitable event sells food to people from different communities or counties. The particular outbreak discussed was confined to members of a country club event that were listed by the management and contact information was readily available, thereby, reducing the amount of time required for investigation and follow-up.

In response to similar legislation from the current year (SB 525), officials from the **Cass County Health Department** stated they do not require a paid permit for not-for-profits. However, the potential cost associated with this proposal would average between \$4,000 and \$100,000 per outbreak of foodborne illness. These costs would include staff hours for epidemiologists, health inspectors, laboratory testing, and additional staff for area jurisdictions to assist based on the sized of the outbreak.

Officials from the **Columbia/Boone County Department of Public Health and Human Services (PHHS)** state the proposal would result in lost revenue to the PHHS. PHHS requires Temporary Food Permits be issued for food events such as those described in the proposal. In 2013, PHHS issued approximately 121 such permits at a cost of \$30 per permit. If this proposal passes, it is estimated that at least half of those events would not require permits, thereby resulting in a loss of at least \$1,950 (60 permits X \$30/permit) in revenue. This would be an annual loss in revenue.

Oversight assumes, for fiscal note purposes, the potential costs associated with outbreaks of foodborne illnesses for any particular county to be speculative. **Oversight** further assumes the potential loss in permit revenues that would be lost due to this proposal to be absorbable by the cities and counties that currently require not-for-profits to obtain permits.

ASSUMPTION (continued)

Officials from the **Department of Health and Senior Services**, the **Cole County Health Department**, **St. Louis County**, and **Lawrence County** each assume the proposal would not fiscally impact their respective agencies.

Officials from the at the following health departments: Audrain County Health Unit, Harrison County Health Department, Henry County Health Center, Jefferson County Health Department, Linn County Health Department, Madison County Health Department, McDonald County Health Department, Miller County Health Center, Morgan County Health Center, Nodaway County Health Center, Platte County Health Department, Reynolds County Health Center, Ripley County Health Center, Shelby County Health Department, St Francois County Health Center and the Tri-County Health Department did not respond to **Oversight's** request for fiscal impact.

Officials from the following cities: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Dardenne Prairie, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Independence, Jefferson City, Joplin, Kansas City, Kearney, Knob Noster, Ladue, Lake Ozark, Lebanon, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, O'Fallon, Pacific, Peculiar, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles, St. Joseph, St. Louis, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring and West Plains did not respond to **Oversight's** request for fiscal impact.

Officials from the following counties: Andrew, Audrain, Barry, Bates, Buchanan, Callaway, Camden, Cape Girardeau, Carroll, Clay, Cooper, DeKalb, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lincoln, Marion, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Phelps, Platte, Pulaski, Scott, St. Charles, St. Louis, St. Francois, Taney, Warren, Wayne and Worth did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal may result in minimal savings to small business charities if local public health departments currently require them to purchase permits to serve homemade goods at fundraising events.

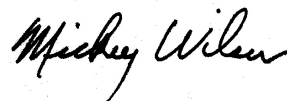
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health and Senior Services
Cole County Health Department
Columbia/Boone County Department of
Public Health and Human Services
Randolph County Health Department
Lawrence County
St. Louis County



Mickey Wilson, CPA
Director
January 2, 2014

Ross Strope
Assistant Director
January 2, 2014